

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BUFFALO TRAIL)	
WATER ASSOCIATION, INC. FOR A RATE)	
ADJUSTMENT PURSUANT TO THE)	
ALTERNATIVE RATE FILING PROCEDURE)	CASE NO.
FOR SMALL UTILITIES AND APPLICATION)	91-473
FOR ADJUSTMENT OF NONRECURRING)	
CHARGES OF BUFFALO TRAIL WATER)	
ASSOCIATION, INC.)	

O R D E R

On December 24, 1991, Commission received an application from Buffalo Trail Water Association, Inc. ("Buffalo Trail") for approval of a proposed increase in its rates for water service. After initial review of the filing, the Commission notified Buffalo Trail by letter dated January 9, 1992 that the application was deficient. On January 13, 1992, the Commission received a letter from Buffalo Trail requesting assistance in order to cure Buffalo Trail's filing deficiencies.

On February 19, 1992, Commission Staff conducted a field review of Buffalo Trail's test period financial records to provide assistance to Buffalo Trail in preparation of its application as well as provide a basis for Staff's report. On May 26, 1992, Buffalo Trail filed a completed rate application to cure its deficiencies in which it requested approval to increase its annual operating revenue by \$84,693.

Based upon the field review of February 19, 1992, Commission Staff issued its report on July 1, 1992, recommending an increase of \$84,693 in Buffalo Trail's annual operating revenue for water service.

By Order dated July 1, 1992, the Commission advised Buffalo Trail that comments on the Staff Report or requests for a public hearing must be submitted no later than July 16, 1992, or this case would stand submitted to the Commission for decision. To date, no comment on the Staff Report nor request for a public hearing has been received from Buffalo Trail.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, are hereby adopted as the findings of the Commission in this proceeding, and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Buffalo Trail and will produce gross annual revenues of \$209,177 for water service based on adjusted test-year sales. These rates will allow Buffalo Trail sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

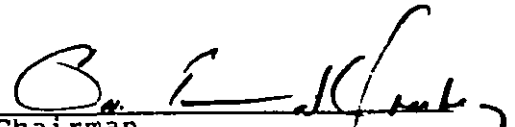
IT IS THEREFORE ORDERED that:

1. The rates proposed by Buffalo Trail in its application and contained in Appendix A are hereby approved for service rendered by Buffalo Trail on and after the date of this Order.

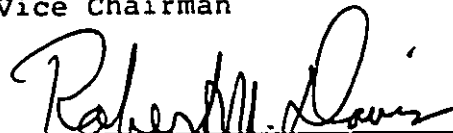
2. Within 30 days of the date of this Order, Buffalo Trail shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 18th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-473 DATED 8/18/92

The following rates and charges are prescribed for the customers in the area served by Buffalo Trail Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

GALLONAGE BLOCKS FOR EACH METER SIZE

MONTHLY RATE FOR EACH GALLONAGE BLOCK

5/8 Inch x 3/4 Inch Meter

First 1,000 gallons	\$13.50 Minimum Bill
Next 4,000 gallons	4.95 per 1,000 gallons
Next 5,000 gallons	3.15 per 1,000 gallons
Over 10,000 gallons	2.70 per 1,000 gallons

3/4 Inch Meter

First 5,000 gallons	\$33.30 Minimum Bill
Next 5,000 gallons	3.15 per 1,000 gallons
Over 10,000 gallons	2.70 per 1,000 gallons

1 Inch Meter

First 10,000 gallons	\$49.05 Minimum Bill
Over 10,000 gallons	2.70 per 1,000 gallons

1 1/2 Inch Meter

First 15,000 gallons	\$62.55 Minimum Bill
Over 15,000 gallons	2.70 per 1,000 gallons

2 Inch Meter

First 20,000 gallons	\$76.05 Minimum Bill
Over 20,000 gallons	2.70 per 1,000 gallons

Coin Operated Water Sales

First 1,000 gallons	\$25.00 Minimum bill
All Over 1,000 gallons	2.00 per 1,000 gallons

Sales To Mt. Olivet Water Company

All Water Purchased \$.75 per 1,000 gallons

Service Connection For Various Meter Sizes

5/8 Inch Meter	\$500.00	per meter connection
3/4 Inch Meter	500.00	per meter connection
1 Inch Meter	566.13	per meter connection
1 1/2 Inch Meter	745.13	per meter connection